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OFFICE OF PUBLIC ACCOUNTABILITY
Doris Flores Brooks, CPA, CGFM
Public Auditor

August 13, 2010

Andrew S. Leon Guerrero
Director
Department of Public Works
542 N. Marine Corps Drive
Tamuning, Guam 96913



Subject: John F. Kennedy High School Rebuild Maintenance and Cost Analysis

Hafa adai Mr. Leon Guerrero,

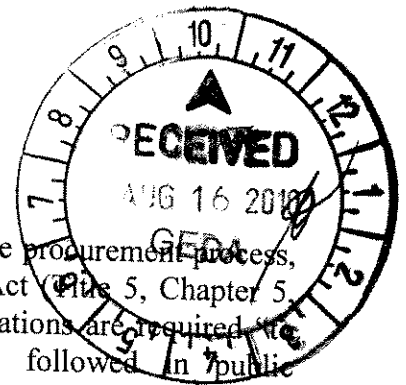
The Office of Public Accountability (OPA) appreciates the time and attention of key officials from the Department of Public Works (DPW), the Department of Education (DOE), the Guam Economic Development Authority (GEDA), and International Bridge Corporation (IBC), who attended the August 11, 2010 meeting called by OPA.

The main objective of the meeting was to obtain clarification of IBC's proposed maintenance and cost analysis that was submitted in response to OPA's Decision on Appeal No. OPA-PA-09-007 (GEFF vs. DPW) which ordered DPW to conduct an analysis and cost comparison and include said analysis in the procurement record.

The maintenance and cost information provided by Miguel Bordallo of IBC, and the proposed bond financing data provided by Tina Garcia from GEDA, clarified much of the discussion. Accordingly, the analysis provided is responsive to OPA's Decision and should be made part of the procurement record.

However, in light of the significant cost proposed by IBC for maintenance, insurance, capital reserve, and annual financing fees, the OPA urges that key officials continue their discussions with a reminder that each government official has a fiduciary duty to achieve the most reasonable final cost to the government for this project. The OPA further urges that maintenance negotiations include provisions for an adequate reserve to fund capital maintenance requirements, as needed, to preserve and maintain the integrity of the new JFK High School facility.

A. Leon Guerrero, DPW Director
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In its fulfillment of its fiduciary duty to protect the integrity of the procurement process, the OPA reminds DPW and DOE that the Guam Procurement Act (Title 5, Chapter 5, GCA, §5001) mandates that all parties involved with the negotiations are required to provide for increased public confidence in the procedures followed in public procurement; "to provide safeguards for the maintenance of a procurement system of quality and integrity" and "to maximize to the fullest extent practicable the purchasing value of public funds".

Senseramente,

Doris Flores Brooks, CPA, CGFM
Public Auditor

Cc: Governor Felix P. Camacho, Office of the Governor
Attorney General John Weisenberger, Office of the Attorney General
Superintendent Nerissa B. Underwood, Department of Education
Deputy Administrator and Financial Services Mgr. Tina Garcia, GEDA
All Senators, 30th Guam Legislature

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FAX

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Department of Public Works

From: **Doris Flores Brooks, Public Auditor**
OPA Procurement Appeals
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Hagatna, Guam 96910

Agency: _____ Pages: 3(Including cover)

CC: As noted Date: August 13, 2010

Fax: DPW – 649-6178 Point of Contact: Tel: 475-0390 x 219 (Anne Camacho)
Nos. Fax: 472-7951

Re: **OPA Feedback from Aug. 11, 2010, 3PM Meeting re: JFK Maintenance and Cost Analysis**
Ref: OPA Decision on Appeal No. OPA-PA-09-007 (GEFF vs. DPW)

Urgent For Review Please Comment Please Reply Please Recycle

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Anne Camacho -- acamacho@guamopa.org

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